

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2013

Docket No. ACR2013

CHAIRMAN'S INFORMATION REQUEST NO. 12

(Issued March 6, 2014)

To clarify the basis of the Postal Service's estimates in its FY 2013 Annual Compliance Report (ACR), filed December 27, 2013, the Postal Service is requested to provide written responses to the following questions. Answers should be provided to individual questions as soon as they are developed, but no later than March 14, 2014.

Annual Performance Report and Plan

1. On page 40 of the United States Postal Service 2013 Annual Report to Congress (2013 Annual Report), the Postal Service reports that it "consolidated 143 mail processing operations from certain facilities into other facilities in 2013." Please refer to the "Processing Facilities" table shown on page 15 of the FY 2013 Report on Form 10-K, filed with the Commission on January 31, 2014. The "Processing Facilities" table appears to reflect the consolidations and re-classifications of facilities from a similar table shown on page 17 of the FY 2012 Report on Form 10-K, filed with the Commission on November 15, 2012. The FY 2012 and FY 2013 Processing Facilities tables are shown below.

FY 2013 Report on Form 10-K

Processing Facilities (Actual Numbers)	2013	2012 ¹
Plants	197	224
Mail Processing Facilities	37	88
Network Distribution Centers	21	21
Annexes	51	68
Surface Transfer Centers	7	8
Airmail Processing Centers	-	1
Remote Encoding Centers	2	2
International Service Centers	5	5
Total Processing Facilities	320	417

1 – Amounts for 2012 have been restated to be consistent with category reclassification made in 2013.

FY 2012 Report on Form 10-K

Processing Facilities (Actual Numbers)	2012	2011
Processing & Distribution Centers	241	251
Customer Service Facilities	84	115
Network Distribution Centers	21	21
Logistics & Distribution Centers	10	10
Annexes	43	46
Surface Transfer Centers	10	10
Airmail Processing Centers	1	1
Remote Encoding Centers	2	2
International Service Centers	5	5
Total Processing Facilities	417	461

- (a) Please provide a crosswalk between the original FY 2012 facility categories in the FY 2012 Report on Form 10-K and the restated FY 2012 facility categories as shown in the FY 2013 Report on Form 10-K. Include in your response whether the processing facility categories are new, consolidated, disaggregated, eliminated or simply renamed from the same FY 2012 facility categories.
 - (b) Please provide the FY 2013 processing facilities in the same facility categories as the FY 2012 Report on Form 10-K at page 17.
2. Please file under seal the FY 2013 targets, FY 2013 results and FY 2014 targets for competitive products, including Express Mail, Priority Mail, and Parcel Select.
3. The Postal Service reports on page 42 of the 2013 Annual Report that “the OSHA injury and illness (I&I) frequency rate of 5.61 per 100 employees is 2.94 percent improved over last year.” Although the measurements differ, the Occupational Safety & Health Administration (OSHA) web site shows an increase in I&I cases for the Postal Service between FY 2012 and FY 2013. The selected

Federal injury and illness statistics are shown below. Please discuss the reasons for the differences between the Postal Service's and OSHA's I&I rate.

OSHA Federal Injury and Illness Statistics, FYs 2012 and 2013

U.S. Postal Service (excludes PRC)	Employees*	Total Cases**	Total Case Rate**
FY 2012			
End of Year Totals	607,814	38,206	6.29
FY 2013 4th Quarter			
Cumulative Totals	587,713	38,847	6.61

*OPM provided OSHA with the most recent available data on the average number of employees from December through March for each FY.
 **The 'Total Case' numbers are derived from claims submitted to OWCP with "case create" dates of October 1 through September 30 (less denied cases) for each FY. The 'Total Case Rate' is the total cases divided by the employees, multiplied by 100 for a rate per 100 employees.

Source: https://www.osha.gov/dep/fap/statistics/fedprgms_stats12_final.html

https://www.osha.gov/dep/fap/statistics/fedprgms_stats13_final.html

4. Please provide the following information related to the Customer Experience Measurement (CEM) estimate.
 - (a) The disaggregated components used to calculate the sample weight for each of the CEM survey respondents (provided in the USPS-FY13-38 'CEM Question Response Counts_FY13_Final.xlsx' file). Please include in your response, sources used (e.g., Census tract) and calculation methodology to weight the respondents survey responses.
 - (b) The rationale for the selection of the differential weighting factors described in footnote 4 on page 39 of the 2013 Annual Report:
 - i. "a differential weighting of 35% residential and 65% small/medium business is applied to calculate an overall YTD CEM Performance Score."
 - ii. the corporate indicator weight of 5% described in this same footnote: "For FY 2013, the CEM indicator is included in the overall corporate indicator with a weight of 5%."

- (c) Any non-response analysis reports completed to date (in Docket No. ACR2010,¹ in response to question 17(f), the Postal Service indicated that the survey contractor had scheduled non-response analysis reports).
- 5. In FY 2013, deliveries per work hour of 41.6 did not meet the FY 2013 target of 42.7.
 - (a) Please explain why the target was not met.
 - (b) Please describe the plans and schedules for achieving the FY 2014 target.
- 6. Page 40 of the 2013 Annual Report states that the Postal Service “continue[s] to provide detailed diagnostic reports that identify Post Offices with opportunities to improve the customer experience.”
 - (a) What opportunities to improve customer experience has the Postal Service identified? Please include in your response the reasons customers identified that would explain why the FY 2013 “Customer Experience” target was not met.
 - (b) Please describe the Postal Service’s schedule and plans for achieving the FY 2014 “Customer Experience” target.
- 7. Page 42 of the 2013 Annual Report discusses the Voice of the Employee (VOE) survey and reports: “We utilize our geographically based network of leadership development and diversity personnel to communicate and implement VOE survey results and action planning strategies.”
 - (a) Please explain why the Postal Service did not meet its VOE target. Please include in your response which survey questions were the most influential in the overall score.

¹Responses of the United States Postal Service to Questions 1-21 of Chairman’s Information Request No. 3, February 7, 2011.

- (b) What action planning strategies did the Postal Service identify from the VOE survey results? Please include in your response the Postal Service's schedule and plans for achieving the FY 2014 "VOE" target.

MODS

8. In Docket ACR 2012,² the Postal Service stated: "Superstorm Sandy has resulted in numerous challenges to the Postal Service so far in FY 2013. As a result of the storm, the Postal Service lost power at 20 processing plants: 485 facilities were damaged, including 50 which were flooded; more than 12% of three-digit ZIPs were impacted and operations at processing plants were impacted for up to 28 days." Please explain whether the data systems that feed into the MODS system, i.e., the TACS (time and attendance) and WebEOR (automation/mechanized machine mail volumes) or the MODS system itself affected by the damage done to the mail processing facilities enough to have impacted the FY 2013 values provided by these systems?

By the Chairman.

Ruth Y. Goldway

² Responses of the United States Postal Service to Chairman's Information Request No. 6, February 7, 2013, question 4(b).